BRITISH COLUMBIA

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highlights

a weekly digest of recently released British Columbia statistics

Labour Force

- **British Columbia's unemployment rate rose 0.2 percentage points, to 8.3% (seasonally adjusted), in October as employment edged down 0.1%.** BC's labour force was unchanged at 2.2 million in October. An increase in the number of self-employed British Columbians (+ 2.3%) only partly offset a drop in the number of employees (-0.7%). Employment fell in both the public (-1.3%) and private (-0.5%) sectors.

  There were 1.2% fewer full-time jobs in the province, with women (-2.0%) bearing the brunt of the job losses. Full-time employment among men decreased 0.6% between September and October. Total part-time employment was up 3.4%. Overall, the number of men with jobs fell 0.2%, and 0.1% fewer women were employed in October. Unemployment rates for young people remained at about twice the provincial average. The jobless rate for 15-24-year olds was 15.3%.

  Source: Statistics Canada

- **The number of jobs in BC's goods-producing industries rose for the fifth straight month, expanding 1.4% (seasonally adjusted) in October.** Employment in construction grew 4.0%, with a similarly large gain occurring in the primary forestry, fishing and mining sector (+4.8%). Employment in agriculture (+1.5%) increased, but there were fewer people working in manufacturing (-0.5%) and utilities (-6.6%).

  In the service sector, employment fell (-0.5%) for the second month in a row, with job losses occurring almost across the board. Trade (-0.7%) and transportation (-1.1%) posted declines, as did most of the other service industries. Finance insurance and real estate (+3.6%), health care and social assistance (+2.7%) and personal and other services (+5.5%) were the only service sector industries where employment increased in October.

  Source: Statistics Canada

- **Cariboo (10.4%, 3-month moving average) was the only region in BC with a double-digit jobless rate in October.** Relative to October 2001, jobless rates were up in four regions, including Mainland/Southwest (+0.3 points, to 7.4%), Kootenay (+0.9 points, to 9.0%), Cariboo (+2.0 points) and Northeast (+3.0 points, to 8.1%).

  Victoria's unemployment rate remained well below the provincial average, at 6.7%. The jobless rate in Vancouver (7.5%) was nearly a full percentage point higher.

  Source: Statistics Canada

- **The Canadian labour market continued to show considerable variability among the regions, with unemployment rates increasing in five provinces, but declining at the national level (-0.1 point, to 7.6%).** This was largely because Ontario (-0.1 point, to 7.2%), Quebec (-0.3 points, to 8.1%) and Alberta (-0.1 point, to 5.7%) all saw improvements in the jobless rate. Nationally, employment and the labour force both grew 0.2%.

  Source: Statistics Canada

The Economy

- **BC's economy shrank 0.2% in 2001.** The modest decline in GDP was largely due to the external sector, as final domestic demand for goods and services remained robust, increasing 3.8%. Inventory changes also contributed to the downturn. After building up their inventories during most of the previous decade, BC producers reduced their stock to meet demand last year. Inventory reductions are generally a sign of weakness in the economy, since they mean that producers are choosing to fill orders from existing stocks rather than boosting their production.

Report **Profile of Small Business in BC, 2001**

Did you know...
When the Census was taken in May 2001, there were 1,085 British Columbians living in shelters, accounting for 8% of the national total of 14,145.

Overall, exports were down 4.3% in 2001, largely due to a 7.4% decline in the value of goods and services exported to the US and overseas. Interprovincial exports (+3.7%) provided a boost to the economy. Imports rose 1.0%, further dampening the province's growth last year, as BC consumers and producers purchased more goods and services from other parts of the country (+5.0%). The value of international imports was down 1.8% in 2001.

Current dollar (unadjusted for inflation) GDP estimates were also revised down for 2001, largely due to weaker estimates of corporate profits (-2.8%). Investment earnings last year were down 19.0% from 2000. *Source: Statistics Canada*

- **BC and Saskatchewan (-1.3%) were the only provinces where GDP declined last year.** Nova Scotia (+2.5%), Alberta (+2.3%) and Ontario (+1.5%) led the provinces in terms of growth. All three territories posted very strong gains in 2001, ranging from +2.7% in Yukon to +19.2% in NWT. Canada's economy expanded 1.5%. *Source: Statistics Canada*

Note to Readers

This week's data release by Statistics Canada is the first that uses Chain Fisher indexes to calculate real. This brings the method used to determine economic growth for the provinces into line with the national estimates, and follows the latest international economic accounting standards. Chain Fisher indexes remove distortions in the constant dollar data that are introduced when there are big price swings (either up or down) in components of GDP over time. The Laspeyres index, previously in use, did not fully capture the affect of substitution away from, or towards, commodities as relative prices changed over time. More information on Fisher indexes is available on Statistics Canada's website.

- **BC's real per capita GDP fell 1.1% in 2001, dropping to $30,252 in 1997 dollars.** Per capita GDP also declined in Saskatchewan (-0.7%), PEI (-0.7%) and Ontario (-0.1%). The Canadian figure increased 0.5%, to $33,058. Among the provinces, Alberta ($40,112) had the highest per capita GDP, followed by Ontario ($36,256), Saskatchewan ($30,312) and BC. Alberta and Ontario were the only provinces where per capita GDP was above the national average. *Source: Statistics Canada*

- **Despite a relatively weak economy, real after-tax income in the province rose (+1.2%, to $19,513 per capita) for the third straight year in 2001.** However, disposable income in the province remained below the national average of $20,023. Alberta ($22,119) and Ontario ($21,378) were the only provinces where real after-tax income exceeded the national average. Residents of Ontario saw their after-tax income fall (-0.3%) for the first time since 1996. Ontario was the only province where per capita disposable income declined in 2001. The Canadian increase was 1.5%, with Alberta (+4.8%) making the strongest gain. *Source: Statistics Canada*

- **Housing starts in the province continued to seesaw in October, rising 20.2% (seasonally adjusted) after falling 37.7% in the previous month.** Starts were up in most parts of the country, increasing 10.4% overall. The strongest gains occurred in BC and New Brunswick (+19.4%). Ontario (+14.6%) Nova Scotia (+13.6%) and Alberta (+12.8%) also posted double-digit gains. *Source: CMHC*

- **The value of building permits issued by BC municipalities increased 16.5% (seasonally adjusted) between August and September.** Planned construction of both residential (+12.1%) and non-residential (+27.9%) projects was well above August levels. Vancouver CMA (+9.4%) posted a strong gain, but still fell far short of the planned spending in the Victoria (+80.8%) and Abbotsford (+173.4%) areas. Nationally, the value of building permits declined (-6.9%) in September. *Source: Statistics Canada*

- **In the regions, Nechako (+23.8%), Vancouver Island/Coast (+20.1%) and Mainland/South west (+9.7%) all saw strong increases in the value of permits (unadjusted) issued during the first nine months of the year.** Planned construction activity in Cariboo (-33.8%) and Northeast (-39.4%) has been substantially below 2001 levels, with smaller declines (ranging from –3.8% in Thompson/Okanagan to –6.3% in Kootenay) in other parts of the province. *Source: Statistics Canada*

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For data originating from Statistics Canada: data sourced to 'Statistics Canada' has been retrieved from CANSIM, the agency's electronic database (www.statcan.ca); otherwise the source is identified as 'SC' plus the publication name or catalogue number.

Nov. 08, 2002 *Infoline Report:* **Profile of Small Business in British Columbia in 2001**

Contact: Dan Schrier, (250) 387-0376
Originally published in *Business Indicators*, October 2002. Annual Subscription $60 + GST.

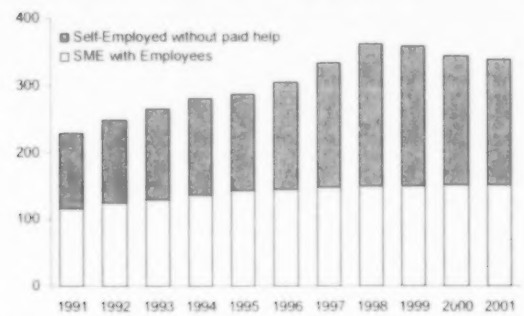
Profile of Small Business in British Columbia in 2001

Number of Small Businesses

Most private sector jobs in British Columbia are derived from small businesses,[1] reflecting an important and ongoing trend toward economic diversification within the provincial economy. There were a total of 344,500 businesses in British Columbia in 2001. Of these, 337,400 (98%) were small businesses. Over half (54%) of all businesses in the province were operated by a self-employed person without paid help.

For the third straight year there was a decline in the total number of small businesses operating in the province (-2%). A drop in the number of self-employed without paid help was entirely responsible for the reduction. This could be the result of self-employed entrepreneurs becoming employees in other enterprises.

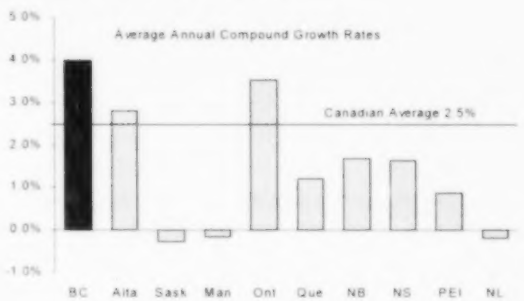
The number of small businesses in BC have been falling over the last few years



Source: Statistics Canada

Over the last decade, British Columbia has led the province in growth in the number of small businesses, with an average annual compound growth of 4.0%. Ontario (+3.6%) and Alberta (+2.8%) had the next fastest growth rates. The number of small businesses across the country grew at an average annual rate of 2.5%.

BC has led the country in small business growth from 1991 to 2001



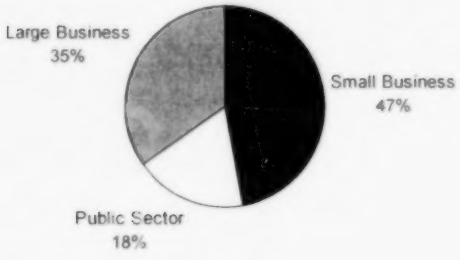
Source: Statistics Canada

Employment

In terms of employment, small businesses provided 930,900 jobs in the province in 2001. This represents 47% of all British Columbia employment and 58% of private sector employment. Although small business employment experienced a slight decline (-0.1%) from 2000 to 2001 as a result of a 1.6% drop in self-employment, over the last five years (between 1996 and 2001) 66,200 jobs were created by small businesses. The majority of these new jobs (59%) came from self-employed individuals. Over the five-year period, small business was responsible for 29% of all jobs created, averaging 13,200 new jobs per year.

[1] Small business is defined here as a business with fewer than 50 employees or a business operated by a person who is self-employed with no paid employees.

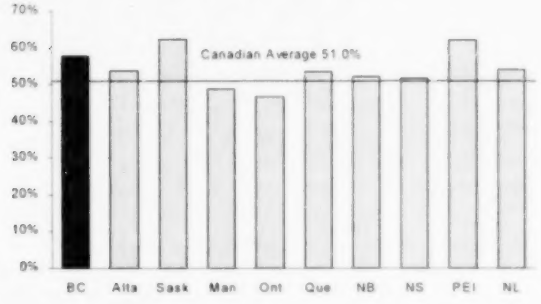
Almost half of all jobs in British Columbia were in small business in 2001



Source: Statistics Canada, BC Stats

In 2001, British Columbia ranked third in terms of the percentage of private sector employment derived from small business. Almost 58% of private sector employment was provided by small business, compared to a national average of only 51%.

BC ranked third in small business as a % of private sector employment in 2001



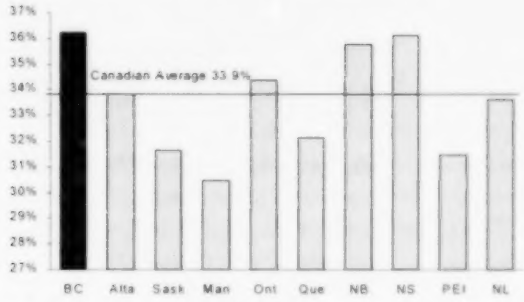
Source: Statistics Canada, BC Stats

Self-Employment

People who spend most of their working hours operating their own businesses are classified as "self-employed." There were 356,300 self-employed people in British Columbia in 2001, not including 4,100 who worked in family businesses without pay. British Columbia has led the country in self-employment growth over the last decade, with an average annual compound rate of growth of 3.2% from 1991 to 2001. Ontario (+3.0%) and Alberta (+2.6%) are the only other provinces to exceed the national rate of 2.0%.

British Columbia has the highest proportion of women owning small businesses in the country. Over 36% of small businesses in the province are owned and operated by women, compared to a Canadian average of 34%.

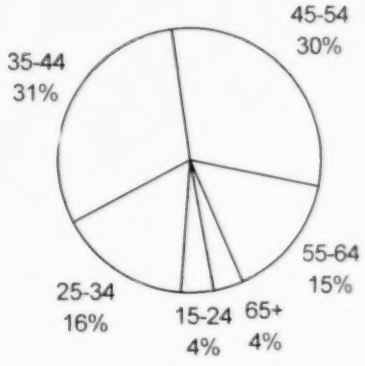
On average, more women own small businesses in British Columbia



Source: Statistics Canada

While the majority of small business owners are between the ages of 35 and 55, there are significant proportions of both younger and older small business owners. About 20% of all entrepreneurs are under 35, while those aged 55 and over account for about 19% of the total.

Most small business owners in BC in 2001 were between the ages of 35 and 54

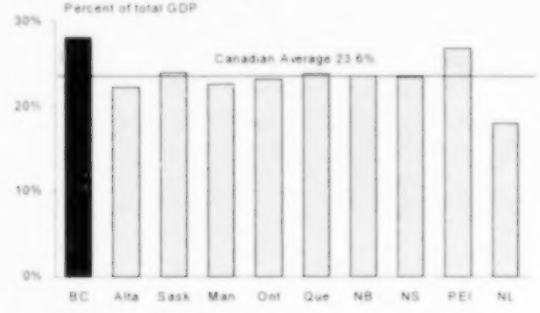


Source: Statistics Canada

Economic Contribution

In 2001, small business comprised approximately 28% of British Columbia's Gross Domestic Product (GDP), the highest proportion of any province in Canada. By comparison, the Canadian average contribution of small business to GDP was just under 24%.

British Columbia ranked first with the highest proportion of GDP comprised of small business in 2001



Source: BC Stats

British Columbia and Prince Edward Island were tied for the highest percentage of provincial payroll derived from small business in 2001. Small business in these provinces accounted for over 32% of wages paid to workers, compared to just under 28% for Canada as a whole.

In British Columbia there were 3,928 small businesses that exported goods in 2000. These businesses represented 77% of all exporters in the province and comprised just over 1% of all small businesses in British Columbia.

Small businesses were responsible for 34% of the total value of exports shipped from the province in 2000, with $11.3 billion in shipments.

Infoline

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BC at a glance . . .

POPULATION (thousands)	Jul 1/02	% change on one year ago
BC	4,141.3	1.0
Canada	31,414.0	1.0
GDP and INCOME		
(BC - at market prices)	2001 Revised	% change on one year ago
Gross Domestic Product (GDP) *($ millions)*	130,859	1.2
GDP *($ 1997 millions)*	123,912	-0.2
GDP *($ 1997 per Capita)*	30,252	-1.1
Personal Disposable Income *($ 1997 per Capita)*	19,513	1.2
TRADE ($ millions)		
Manufacturing Shipments (seas. adj.) Aug	2,909	3.8
Merchandise Exports (raw) Aug	2,425	-1.0
Retail Sales (seasonally adjusted) Aug	3,332	4.8
CONSUMER PRICE INDEX		% change on
(all items - 1992=100)	Sep '02	one year ago
BC	118.8	1.8
Canada	120.1	2.3
LABOUR FORCE (thousands)		% change on
(seasonally adjusted)	Oct '02	one year ago
Labour Force - BC	2,180	4.1
Employed - BC	2,000	4.2
Unemployed - BC	181	2.3
		Oct '01
Unemployment Rate - BC *(percent)*	8.3	8.4
Unemployment Rate - Canada *(percent)*	7.6	7.4
INTEREST RATES (percent)	Nov 6/02	Nov 7/01
Prime Business Rate	4.50	4.50
Conventional Mortgages - 1 year	5.10	4.75
- 5 year	6.80	6.70
US/CANADA EXCHANGE RATE	Nov 6/02	Nov 7/01
(avg. noon spot rate) Cdn $	1.5582	1.5936
US $ *(reciprocal of the closing rate)*	0.6436	0.6255
AVERAGE WEEKLY WAGE RATE		% change on
(industrial aggregate - dollars)	Oct '02	one year ago
BC	671.53	4.3
Canada	651.07	2.2

SOURCES:

Population, Gross Domestic Product, Trade, Prices, Labour Force, Wage Rate } Statistics Canada

Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

For latest Weekly Financial Statistics see www.bankofcanada.ca

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Released this week by BC STATS

- Current Statistics, October 2002
- Exports, August 2002
- Tourism Sector Monitor, October 2002

Next week

- Labour Force Statistics, October 2002

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